

February 20, 2009

Richard Lowery
2128 Murray Avenue, Apt. 3
Pittsburgh, PA 15217

Dear Richard:

I am pleased to inform you that Thomas Gilligan, the Dean of the McCombs School of Business, has authorized me to offer you an appointment to the faculty of the Department of Finance at The University of Texas at Austin, with the rank of Assistant Professor. Your appointment will be effective September 1, 2009, with a 9-mos. academic rate of \$185,000. In the event that you do not complete all Ph.D. requirements by August 18, 2009, your appointment will be at the rank of Instructor, at a 9-mos. academic rate of \$183,000.

Dean Gilligan has agreed to provide additional salary research support from other McCombs School of Business discretionary sources for the Summers of 2009, 2010, and 2011 for two months at your base salary if your appointment at the University of Texas at Austin continues during the subsequent full academic year. The summer support is contingent on your successful completion of the requirements for the Ph.D. degree by July 1, 2009, your being in residence by July 1, and your appointment continuing during the subsequent fall and spring semesters. For the period from July 1, 2009 – August 31, 2009, your title will be Research Assistant Professor. For each of summers 2009 and 2010, you will receive \$41,111 based on 2/9s of an annual salary of \$185,000. The amount you receive during the following summer similarly will be related to your base salary during the preceding academic year. If you receive a satisfactory third year review, you will receive summer support from summer 2012 through tenure, subject to the provisions of the attached policy on merit-based summer research support.

The McCombs School of Business also provides discretionary funds to the Department of Finance for use by faculty in covering the costs of travel to academic meetings. Under the current Departmental travel policy, the Department will cover your costs to participate in selected leading academic meetings. The Department also provides substantial support through the provision of teaching assistants. While the amount of teaching assistant support is subject to the availability of funds and to departmental policy, the Department currently provides an average of approximately 20 hours per week of teaching assistant support for each faculty member. The McCombs School of Business and the Department provide discretionary funds for your scholarly activities: a research grant of \$7,000 per year for the 2009-2010, 2010-2011, and 2011-2012 academic years. Unused portions of this money can be accumulated from year to year up to \$10,000. Continuation of these research funds after the third year is contingent upon a satisfactory third-year review. Continuation of these funds after tenure is contingent upon remaining research active.

This appointment is without tenure and is subject to confirmation by the Office of the Chancellor and Board of Regents of The University of Texas System. All faculty, administrators, and staff are subject to

the relevant provisions of the *Rules and Regulations* of the Board of Regents and the *Handbook of Operating Procedures* of The University of Texas at Austin and to applicable state and federal laws. The salary figure represents the gross annual salary and is subject to deductions required by state and federal law and, if permitted by law, such other deductions as you may authorize.

Instructional assignments are determined by the department chair. Your instructional load will need to conform to the minimum faculty workload requirements established by the Board of Regents, which include weighted adjustments for teaching load equivalencies. For each of two semesters during the first year of employment, you will receive a reduced workload to allow time to develop instructional materials for courses you will teach.

The week before classes begin each August, the Center for Teaching Effectiveness offers the New Faculty Seminar. You will be receiving an invitation to attend this three-day event, which covers a broad range of topics designed to acquaint you with teaching at the University and to give you an opportunity to meet some of your new colleagues.

Tenure-track faculty members may apply for a Summer Research Assignment (SRA) through the Faculty Development Program administered by the Office of Graduate Studies. The program gives preference to junior faculty for SRAs, which provide the equivalent of two months' salary following the first academic year of service. Information about this and other internally funded awards programs administered by the Office of Graduate Studies and the Office of the Vice President for Research can be accessed via <http://www.utexas.edu/research/resources/funding/>.

The enclosures cover important information for new faculty members at The University of Texas at Austin, including fringe benefits associated with faculty appointments, and an overview of retirement and other benefits. You will be entitled to all employee benefits authorized by the state legislature. Full information on available University services and resources will be available at the Orientation for New Employees offered by Human Resources Services. You should attend this event as soon as possible upon your arrival, since new employees have 31 calendar days from their hire date (July 1) to enroll for insurance coverage.

As a new faculty member, you will be provided with your choice of either a laptop or desktop computer through the College.

The School will reimburse you for moving of household goods on a documented basis and for reasonable expenses necessary for one or more trips to Austin for personal relocation purposes up to a maximum of \$12,000. If needed, the Department will pay up to an additional \$3,000. Expenses that meet the criteria set forth in IRS Publication 521 <http://www.irs.gov/publications/p521/index.html> are non-taxable. These generally include the cost of moving your household goods and personal effects, and travel expenses for you and your family members for one direct trip each to Austin. Expenses for moving household goods and personal effects may be paid as an out-of-pocket reimbursement or directly to the moving company. Payments or reimbursements for other non-qualified moving-related expenses are taxable, and the University will be obliged to withhold Federal Income tax as well as Social Security and Medicare tax.

This offer is contingent upon satisfactory completion of all pre-employment screening requirements. These include (1) completion of the form and provision of documentation required by the Federal Immigration Reform and Control Act to verify employment eligibility to work in the United States; (2) a background check for security sensitive positions, which include all faculty positions; and (3) satisfaction

of a credentialing requirement that is a criterion for institutional accreditation. The first must be satisfied within three working days of the start date of your appointment and will be handled upon your arrival. To meet the last two requirements, please complete and return both the enclosed Background Check Request Form and the Official Transcript Authorization for New Faculty form to the department for handling. The enclosures contain additional information on these requirements.

We are enthusiastic about your proposed appointment and look forward to having you as a member of the faculty. You may contact me at 512-471-5899 (o) or 512-925-1924 (cell) if you have any questions. Please indicate your acceptance of this appointment by signing the original of this letter and returning it to me by Wednesday, March 4, 2009. A copy should be retained for your records.

Sincerely,

Laura T. Starks
Department Chair

Enclosures: Attachment A to PM 3.110, Information for New Tenured and Tenure-Track Faculty Members

HOP § 3.15 Academic Titles and Tenure

HOP § 3.17 Recommendations Regarding Faculty Compensation,
Faculty Promotion, Tenure, Renewal of Appointment or Non-renewal of Appointment
Background Check Request Form (PO-13)
Faculty Policies

cc: Executive Vice President and Provost Steven Leslie
Dean Thomas Gilligan

I accept this offer of appointment and I attest that the credentials reflected in the curriculum vitae submitted with my application are correct:

Richard Lowery

Date